## **EXHIBIT A**

PROPOSED TARIFFS

#### STANDARD TERMS AND CONDITIONS - PAGE 6 OF 20

## 5. <u>Definition of Tariff Terms (continued)</u>

Alternative Retail Electric Supplier or ARES has the same meaning as set forth in Section 16-102 of the Public Utilities Act.

\* Ancillary Services means those services required by the FERC as defined in the applicable OATT, for customers taking Transmission Service.

**Applicant** means any person, or authorized agent acting on behalf of the Applicant, who has applied for Utility Service consistent with Utility's Tariffs. Applicant may include, but is not limited to, a developer, property manager or sub-divider of property for sale or lease to others.

Billing Demand is defined as in Customer's Bundled Service classification.

**Bundled Service** means service under any one or more of the following Service Classifications or "SCs" of Utility: 2, 3, 10, 11, 12, 13, 14, 15, 19, 21, 22, 24, 26, 30, 35, 39, 41, 42, and 45; and Riders DA-RTP, DA-RTP II, and S. Bundled Service also means a separate contract on file with the Commission under which Utility provides electric power and energy, delivery and all related services to Customer.

**Business Day** means Monday through Friday excluding the following holidays: New Year's Day, President's Day, Good Friday, Memorial Day (observed), July 4, Labor Day, Thanksgiving Day, day after Thanksgiving, and Christmas Day.

Cancellation DASR means a Direct Access Service Request to rescind an Enrollment DASR (either relating to service from a Retail Electric Supplier or to service from a Meter Service Provider) before the Activation Date.

Cancellation Notice as to Delivery Services means a notice issued by Utility to a Delivery Services Customer, to Customer's current Retail Electric Supplier, or to Customer's current Meter Service Provider, as applicable, and to Customer's proposed Retail Electric Supplier or proposed Meter Service Provider, as applicable, that a Pending DASR or Queued DASR has been canceled pursuant to a Cancellation DASR.

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#### STANDARD TERMS AND CONDITIONS - PAGE 8 OF 20

## 5. <u>Definition of Tariff Terms (continued)</u>

**Delivery Voltage** is the voltage of lines at the Point of Delivery where Utility's lines connect to the lines or facilities owned by Customer or metering facilities provided by a Meter Service Provider for the Customer. For purposes of defining Delivery Voltage, facilities rented by Customer from Utility are considered the same as facilities owned by the Customer.

**Demarcation Point** means the point at which facilities owned by Utility terminate and facilities owned by a Meter Service Provider begin, as provided in Appendix 1 of SC 150.

**Direct Access Service Request** or **DASR** means a request from a Customer Self-Manager, Retail Electric Supplier or Meter Service Provider to enroll, cancel, or terminate service to Customer as of a specified date.

**Distribution Capacity** equals Customer's highest Maximum Demand during the twelve consecutive billing periods ending with the current billing period. For Customer without twelve consecutive billing periods of measured Maximum Demand at Customer's current Premises, Distribution Capacity during Customer's first twelve billing periods may not be less than the initial Distribution Capacity as agreed to by Utility and Customer. This definition does not apply to Service Classifications 22 and 35.

\* **Distribution Delivery Services** means the Delivery Services Utility provides that are not governed by the applicable Open Access Transmission Tariff.

Electronic Data Interchange or EDI means a standard electronic communication method established by Utility for exchanging data.

**EDI Agreement** means a contract between (i) the Customer Self-Manager, Retail Electric Supplier or Meter Service Provider, and (ii) the Utility to use the EDI format for transfer of billing data and payments.

Enrollment DASR means a Direct Access Service Request to begin electric power and energy service from a Retail Electric Supplier, or Metering Service From a Meter Service Provider, by a requested Activation Date.

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#### STANDARD TERMS AND CONDITIONS - PAGE 9 OF 20

#### 5. Definition of Tariff Terms (continued)

\* Federal Energy Regulatory Commission or FERC refers to the federal regulatory body that has jurisdiction over Transmission Services provided under the applicable OATT.

General Farm Use means use of electric service by Customer at a Premises predominantly used for the production of crops or raising of livestock for sale, provided that neither Customer or his employer sell at retail or process the crops or livestock.

**IFC Charges** means Instrument Funding Charges or equivalent amounts billed by Utility as servicer pursuant to a transitional funding order of the Commission.

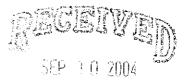
**IFC Payments** means payments of IFC Charges by a Customer.

**Interval Metering** is a device or collection of devices installed at Customer's Premise capable of collecting electric use data in precise time increments for the determination of energy consumption and demand.

Lagging Reactive Demand is the flow of reactive power in kilovars (kvar) from Utility's system to Customer's facilities in any 15-minute period, adjusted for energy losses as necessary under Section 6(f) of these Terms & Conditions and Section 9.B. of SC 110.

Letter of Agency means a document, conforming to Section 2EE(2) of the Consumer Fraud and Deceptive Business Practices Act, provided by Customer to a Retail Electric Supplier or Meter Service Provider to authorize the Retail Electric Supplier or Meter Service Provider to change certain services for Customer.

Maximum Demand is the maximum integrated kW demand delivered during any 15 minute period in the billing period, adjusted as necessary under Section 6(f) of these Terms & Conditions and Section 9.B. of SC 110.



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#### STANDARD TERMS AND CONDITIONS - PAGE 11 OF 20

#### 5. Definition of Tariff Terms (continued)

Notice of Receipt means a notice from Utility stating that an Enrollment DASR has been received by Utility and is being processed.

**Notice of Termination** means a notice from Utility that a Termination DASR has been accepted by Utility, stating the Termination Date on which service to Customer from a Retail Electric Supplier or Meter Service Provider, as applicable, will end.

Off-Cycle Switching Service or Off-Cycle Switching means the service provided by Utility under Section 10.B. of SC 110.

Off-Peak Period or Off-Peak is the 13 consecutive hours commencing at 9:00 p.m. and ending at 10:00 a.m. on weekdays, all hours on the weekends and all hours on New Year's Day, Good Friday, Memorial Day (observed), July 4, Labor Day, Thanksgiving Day, Christmas Eve Day and Christmas Day.

On-Peak Period or On-Peak is all hours not in the Off-Peak Period.

\* Open Access Transmission Tariff or OATT means the applicable Open Access Transmission Tariff, or successor tariff as approved by FERC.

Part 280 refers to 83 Illinois Administrative Code Part 280.

Part 410 refers to 83 Illinois Administrative Code Part 410.

Part 460 refers to 83 Illinois Administrative Code Part 460.

**Pending DASR** means an Enrollment DASR that has been submitted to Utility but has not been accepted or rejected by Utility.

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#### STANDARD TERMS AND CONDITIONS - PAGE 12 OF 20

## 5. <u>Definition of Tariff Terms (continued)</u>

**Person** means any individual, joint venture, partnership, association, governmental body, firm, corporation, limited liability company, institution or other legal entity.

**Point of Delivery** means the point at which Utility's lines or equipment connect to the lines or facilities owned or rented by Applicant or Customer from Utility or provided by a Meter Service Provider for the Customer, without regard to the location or ownership of transformers, substations or meters, unless otherwise provided for by written contract or these Tariffs.

**Power Purchase Option Service** or **PPO Service** means the sale of electric energy by Utility to Customer under Utility's Rider PPO.

**Power Purchase Option Capacity** or **PPO Capacity** means the maximum amount of energy Utility is obligated to supply to Customer in any hour as specified in Customer's contract(s) for PPO Service.

**Premise** or **Premises** means a physical area that, except for any intervening public or private right of way or easement, (a) constitutes a single parcel or unit, and (b) a single Customer owns, uses or in which it has some other interest in connection with receiving Utility Service at one Point of Delivery.

Public Utilities Act means 220 ILCS 5/1-101et seq.

**Queued DASR** means an Enrollment DASR that has been submitted to and accepted by Utility but the Activation Date has not arrived.

Residential Service means Utility Service rendered under a residential rate and registered by a separate meter, predominantly for household purposes in individual apartments or residences of single family occupancy, or for General Farm Use.

\* Retail Transmission Organization or RTO means the regional transmission organization of which Utility is a part.

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#### STANDARD TERMS AND CONDITIONS - PAGE 14 OF 20

## 5. Definition of Tariff Terms (continued)

**Termination DASR** means a Direct Access Service Request to terminate service from a Retail Electric Supplier or Meter Service Provider, as applicable.

**Termination Date** means the date upon which Customer's electric power and energy service from a Retail Electric Supplier or Customer's Metering Service from a Meter Service Provider, if applicable, will end.

**Termination Notice** as to Delivery Services means a written notice from Customer to Utility that Customer desires to terminate electric power and energy service from a Retail Electric Supplier or Metering Service from a Meter Service Provider, if applicable, and return to Bundled Service, or to Metering from Utility under SC 110.

Terms & Conditions means Utility's Standard Terms and Conditions.

\* Transmission Service means the service provided to Customer under the applicable OATT.

**Transmission Service Agent** or **TSA** means an entity designated by Customer or Customer's Retail Electric Supplier to be responsible for arranging Transmission Service for Customer. A Customer Self-Manager or a Retail Electric Supplier may act as its own TSA.

Utility means Illinois Power Company or any duly constituted successor to Illinois Power Company.

Utility's Schedule of Rates for Electric Service, or Tariffs means all Utility's electric Service Classifications, Rates, Riders, Standard Terms and Conditions, Rules, Regulations and Conditions Applying to Electric Service, and Appendix to Schedule of Rates, on file with or approved by the Commission, as currently in effect, and as they may be changed from time to time.

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\* Asterisk indicates change

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#### **SERVICE CLASSIFICATION 110 - PAGE 2 OF 34**

## 1. Availability (Continued)

- (g) that service under this SC 110 is subject to Utility's Standard Terms and Conditions and Utility's Rules, Regulations and Conditions Applying to Electric Service; and
- (h) that Utility shall not provide service under this Service Classification to residential customers prior to May 1, 2002.

#### \* 2. <u>Nature of Service</u>

Utility provides the following services to Customer under this SC 110 as to electric power and energy delivered by a CSM or Customer's RES to Utility's transmission and distribution system for delivery to Customer. These same services are provided if Utility is providing Customer electric power and energy under its Riders PPO or ISS.

- (a) Distribution to Customer of electric power and energy delivered to Utility;
- (b) Reactive power correction supplied from distribution equipment;
- (c) Metering, unless Customer elects to obtain Metering Service from an MSP;
- (d) Billing services subject to the provisions of Section 8 of this SC 110; and
- (e) Transmission Service or arranging for Transmission Service, as Customer's agent, for Customers taking service under Rider PPO, PRS, or ISS, to the extent required by those Riders.



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#### **SERVICE CLASSIFICATION 110 - PAGE 26 OF 34**

#### 8.C. (Continued)

\* (3) Where Interval Metering is not installed, Utility will allocate Customer's monthly kilowatt-hour usage into hourly usage by using load profiles and Utility or the RTO will use this profiled usage for energy imbalance settlement under the provisions governing the provision of Transmission Services. Utility will estimate the typical daily load profile by month for each customer class that includes one or more Customers served under this SC 110.

Utility will include in the daily load profile the average usage for each and every hour in the day, adjusted for actual weather conditions in each hour. At least 30 days prior to the start of the month when the load profiles will be used, Utility will file information sheets with the Commission containing the Utility's load profiles and model specifications. Utility will utilize weather data obtained from an independent weather service to adjust load profiles for actual weather consistent with the model specifications.



## **SERVICE CLASSIFICATION 150 – Page 3 of 22**

#### 4.A.3. (Continued)

Utility may increase the amount of credit security required from the RES from time to time based on increases in the amounts billed to Utility's Customers by the RES.

- (4) The RES must enter into,
  - (a) an EDI Agreement as provided by Utility if the RES intends to transact business with Utility using Electronic Data Interchange (the RES must successfully test its EDI capabilities with Utility before the Utility will execute the Agreement and accept EDI transactions); and
  - (b) an electronic funds transfer ("EFT") agreement as provided by Utility if the RES intends to use electronic funds transfer with Utility (the RES must successfully test its EFT capabilities with Utility before the Utility will execute the agreement and accept EFT transactions).
- \* (5) A RES must designate a Transmission Service Agent(s) to acquire Transmission Services. The RES may designate itself as the TSA. The TSA must meet and maintain the requirements associated with obtaining Transmission Service as specified by the applicable OATT. In addition, the Utility requires that a RES not change its TSA more frequently than monthly.
  - (6) A RES must enter into with Utility a Retail Electric Supplier Service Agreement and a Billing Options Agreement as provided by Utility. If the RES later chooses additional services under SC 150, Utility may require the RES to enter into an additional contract or amend an existing contract.

Utility will notify the RES within 30 days after receipt of the RES's completed supplier registration form whether:

- a. All applicable agreements have been executed;
- b. registration has been properly submitted and verified or if there are any deficiencies; and
- c. any credit requirements have been satisfied.

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## **SERVICE CLASSIFICATION 150 - Page 4 of 22**

## 4. <u>Application for and Commencement of Services</u> (Continued)

### B. Designation of Customer as Customer Self-Manager

A Customer seeking to become a CSM must submit a written notice to Utility documenting how Customer will satisfy the following requirements to be a CSM. Utility will notify Customer within 10 Business Days after receipt of the notice whether Customer's notification demonstrates that Customer can qualify as a CSM.

- Customer must have a Maximum Demand of at least 4 MW. Customer may satisfy this requirement by aggregating the Maximum Demands at Customer's separate facilities or locations located in Utility's Service Area provided that (i) each separate facility or location is eligible for Delivery Services, and (ii) Customer demonstrates that each separate facility or location meets the requirements of subsections (2) through (6) of this Section 4.B., either separately or through a control center.
- \* (2) Customer must comply with all applicable and appropriate Federal, state, regional and industry rules, policies, practices, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system, including the applicable and appropriate rules and operating guidelines, standards, policies and procedures of the North American Electric Reliability Council and the Mid-American Interconnected Network or their successor(s) and the applicable Open Access Same-Time Information System reservation process, and shall agree to submit good faith schedules of transmission in accordance with the requirements of the applicable OATT governing the provision of Transmission Service.
  - Customer must demonstrate that it possesses sufficient technical capabilities. Customer will be deemed to possess sufficient technical capabilities if it maintains a technical staff on duty or on call 24 hours each day to conduct Customer's operations as to the purchase, scheduling and delivery of electric power and energy. "Technical staff," for purposes of this section means a staff of trained technical experts in electric power and energy supply, including persons who have completed an accredited or otherwise recognized apprenticeship program or a formal education program and persons who possess no less than four years of experience working in a similar position with a utility, RES or related business, including those persons registered as professional engineers as required by the Professional Engineering Practice Act of 1989.

\* Asterisk indicates change

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## SERVICE CLASSIFICATION 150 - Page 14 of 22

#### 7.A.3. (Continued)

- (d) The RES must allocate partial payments from Customer first to Utility's tariffed services included on the RES's bill to Customer, including any taxes applicable to those services, before any part of the payments are applied to charges of the RES or MSP.
- (e) Utility may disconnect Customer's service for non-payment of its tariffed services as it would if Utility had billed the charges directly to Customer.
- (f) The RES must remit payments to Utility (i) for Utility's non-residential charges and taxes within 15 days after Utility provides billing data to the RES, (ii) for Utility's residential charges and taxes within 21 days after Utility provides billing data to the RES, or (iii) as provided in Appendix 2 to this SC 150.
- (g) Utility may bill and the RES must pay a late payment charge in an amount equal to 1.5% per month on any billings considered past due, including amounts previously past due.
- (4) Utility need not permit the RES to bill Customers for Utility products and services not available under SC 110.

## B. Billing, Collection and Remittance Procedures for IFC Charges

- \* This Section 7.B. applies to any RES providing Consolidated Retail Electric Supplier Billing and to any entity, including but not limited to a RES, billing Utility's charges to Customer or assuming responsibility for payment of Utility's charges to Customer. This Section 7.B. also applies to any entity, including a RES or other entity, that one or more Customers or RESs designate as a TSA for purposes of the applicable OATT. Utility or RTO will bill the designated TSA and the TSA must pay Utility for Delivery Services provided by Utility to one or more Customers under the applicable OATT.
  - Utility will provide the RES or other entity with a statement of (i) Customer's usage for the billing period as provided for in Section 8.C. of SC 110, and (ii) the charges to be billed to Customer as provided for in Section 6 of SC 110, as well as charges for PPO Service and service under any other applicable rate, rider or service classification. The statement will also show,

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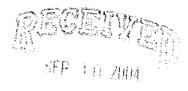
## **SERVICE CLASSIFICATION 150 - Page 15 of 22**

#### 7.B. 1. (Continued)

- (a) the IFC charge per kilowatt-hour applicable to Customer,
- (b) the total IFC Charges to be billed to Customer for the billing period based on Customer's kilowatt-hour usage for the billing period, and
- (c) a credit against the other charges billed to Customer matching the amount of the Customer's IFC Charges.

The amount of the IFC Charges billed to Customer may not exceed the sum of the charges for Distribution Delivery Services (including Transition Charges), any PPO Service, and any charges for service under any other applicable rate, rider or service classification, billed to Customer.

- \* (2) Utility or RTO will bill each RES, CSM, or other entity designated as a TSA, charges incurred under the applicable OATT for providing Delivery Services to one or more Customers. If Utility is unable to include in Customer's bill for Distribution Delivery Services and any PPO Services or any services under any other applicable rate, rider or service classification, the full amount of IFC Charges applicable to the Customer for the billing period, then Utility will include the IFC charges not included on Customer's bill in its statement to the Customer's RES or TSA for charges under the applicable OATT. In the bill to the RES or TSA, Customer's remaining IFC Charges may not exceed the sum of the Utility's charges under the applicable OATT allocated to Customer. The statement to the RES or TSA must show a credit against the OATT charges allocated to the Customer that matches the amount of the Customer's IFC Charges included on the statement.
  - (3) The RES or other entity shall enter into a contract with Utility establishing the requirements for remittance to Utility of the IFC Charges included in Utility's statements as provided in subsections (1) and (2) of this Section 7.B. The contract shall conform to the requirements set forth in Appendix 2 to this SC 150.
  - (4) If a dispute arises between Utility and a RES or other entity subject to this Section 7.B. concerning billing and collection for services provided by Utility, the RES or other entity shall pay the undisputed portion of its collections over to Utility, and pay the disputed amounts to Utility pending resolution of the matter.



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#### **SERVICE CLASSIFICATION 150 – Page 16 of 22**

#### 7.B.4. (Continued)

If and to the extent the RES or other entity is successful in the dispute (whether in a negotiated resolution, the dispute resolution processes under Section 12 of this SC 150, or a Commission decision), Utility shall pay the RES or other entity, interest on the portion of the disputed amount returned by Utility. If the dispute cannot be resolved informally, then Utility and the RES or other entity will jointly file a complaint with the Commission to avoid either bearing the burden of proof alone.

(5) Revisions to this Section 7.B. or to Appendix 2 to this SC 150 filed by Utility and approved, or allowed into effect, by the Commission will be deemed incorporated into the contract provided for under subsection (3) of this Section 7.B., upon the Commission approving the revisions or allowing them into effect.

# C. Payment Provisions for Utility Services to Retail Electric Supplier or Meter Service Provider

- (a) Utility will bill the RES or MSP monthly for services the Utility provides to the RES or MSP. This provision does not apply to billings for services to Customers or provisions governing IFC charges. The RES or MSP must remit payment of billings governed by this Section 7.C. within 15 days of receiving Utility's bill. The Utility may apply late payment charges to past due amounts, including amounts previously past due.
- (b) Failure of a RES or MSP to remit payment to Utility on or before the due date constitutes a default. If not cured within 10 days after the default date, Utility may cease service to the RES or MSP and proceed against any bond or other security posted by the RES or MSP. The billing, payment and collection of charges for Transmission Services will be governed by the provisions of the applicable OATT.

## D. Disconnection of Service to Customer by Utility

\* (a) Utility may disconnect Customer's service under Utility's SC 110 for non-payment of Utility's charges whether billed by Utility directly to Customer or to Customer's RES, MSP, TSA, or other agent of Customer. If Utility terminates Delivery Services to Customer for non-payment of charges provided for in the applicable OATT, the procedures specified in the OATT will govern.

\* Asterisk indicates change

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## SERVICE CLASSIFICATION 150 - Page 18 of 22

#### 10. Technical and Operational Requirements (Continued)

- (c) As an aid in verifying the bills, Utility will make available to the TSA the aggregated hourly loads of Customers for which the TSA acts as agent, adjusted for energy losses incurred on the distribution system. Utility shall not be responsible for the accuracy of load or usage information provided to Utility by a Customer's MSP.
- \* (d) The RES is responsible to pay any charges billed to the RES's designated TSA for services provided under the applicable OATT, including charges for Delivery Services under the applicable OATT, if the TSA fails to pay the charges.

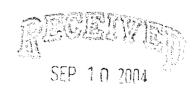
#### 11. Switching and Termination

This Section 11 governs (i) how a RES registered with Utility enrolls Customers for, and terminates Customers from, Delivery Services; and (ii) how a Customer qualified with Utility as a CSM must initiate and terminate Delivery Services.

The RES must enter into a Letter of Agency with Customer designating the RES as Customer's Retail Electric Supplier. The RES must maintain the Letter of Agency in its files consistent with Utility's Terms & Conditions. The Letter of Agency must contain the information set forth in Section 5.B(1) of SC 110.

#### A. Enrollment

- (1) A CSM or a Customer's RES must enroll Customer by submitting a completed Enrollment DASR to Utility:
  - (a) not more than 45 days before the first day of the billing month including the requested Activation Date;
  - (b) not less than 7 days before Customer's next regularly scheduled meter reading date; or,



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(Canceling Sixth Revised Sheet No. 88.9)

#### **RIDER PPO - PAGE 9 OF 13**

## 7. Sale or Assignment of Primary Customer's Interest in Electric Power and Energy

- a. A Primary Customer taking service under this Rider shall be entitled to sell or assign its interest in the electric energy which Primary Customer purchases from Utility pursuant to this Rider, to an Assignee. No more than one sale or assignment of Primary Customer's interest in electric energy purchased from Utility under a PPO Contract shall be allowed. The amount of electric energy in which Primary Customer may sell or assign its interest to an Assignee shall not exceed, in any hour, the PPO Capacity specified in Primary Customer's PPO Contract with Utility.
- b. Primary Customer seeking to make a sale or assignment hereunder shall give at least five days written notice to Utility specifying (i) the name and address of the Assignee, (ii) the Assignee's Point of Delivery, and (iii) the duration of the sale or assignment. Provided, that where Assignee is a RES, the Point of Delivery for electric energy supplied under this Rider after the assignment shall continue to be Primary Customer's Point of Delivery. Such sale or assignment shall be effective on the first day of Primary Customer's next billing period beginning after expiration of the five day notice period.

## c. Responsibility for Payment of Charges

- \* (i) If Utility determines that Assignee has adequate credit standing to support responsibility for payment of all charges under this Rider and SC 110, including the Transition Charge and IFC Charges, with respect to the sold or assigned interest in electric energy, and Assignee signs a written contract with Utility to assume primary responsibility for payment of all such charges, then Assignee shall be billed by Utility, and shall be primarily responsible to Utility, for payment of all charges under this Rider and SC 110, including Transition Charges (in accordance with subsection 7(f) below), IFC Charges, and charges under the applicable OATT, with respect to the electric energy the interest in which has been assigned to Assignee. Primary Customer shall remain responsible for payment of all such charges if Assignee fails to pay such charges by the due date.
- \* (ii) In all other cases, Primary Customer shall continue to be billed by Utility, and responsible to Utility, for payment of all charges of Utility under this Rider and SC 110, including the Transition Charge and IFC Charges applicable to Primary Customer and charges under the applicable OATT, with respect to the electric energy in which Primary Customer has assigned its interest, as though Primary Customer had not made the sale or assignment.

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#### RIDER TC - PAGE 6 OF 14

## 3. Non-Residential Customers for Which Transition Charge Will be Determined by a Customer-Specific Calculation (Continued)

Charges to be paid by Customer. The Transition Charge applicable to each Customer subject to this Rider that is not entitled to a Customer-specific calculation shall be the Transition Charge calculated for the applicable Annual Period for the TC Group established pursuant to Section 5 of this Rider which includes Customer.

- (a) Any Customer with average maximum electrical demand on Utility's system during the six months with Customer's highest monthly maximum electrical demands during the three years prior to Customer's Delivery Services Eligibility Date of 100 kW or greater;
- (b) Any Customer served on a special or negotiated rate contract or a contract service contract during the 12 months preceding Customer's Delivery Services Eligibility Date, unless such contract prohibits use of Customer's Contract Rate to calculate Transition Charges; and
- (c) Any Customer served at a Delivery Voltage greater than 600 volts.

## 4. <u>Determination of Transition Charge</u>

(a) For Customers taking service under SC 110, the Transition Charge applicable to each Customer entitled to a Customer-specific calculation in accordance with Section 3, or to each Customer in a TC Group, for each Annual Period shall be calculated as follows:

 $TCc = (BRc - DSc - MVc - Mc)/Qc \times 100$ 

#### Where:

TCc = Per kWh Transition Charge, expressed in cents per kWh and rounded to the nearest .001 cents, to be billed for each kWh delivered to Customer, provided, that, if TCc would have been a positive value, had it not been rounded to .000 cents, within 30 days of either (i) the publication of the market values determined pursuant to Rider MVI II resulting in such TCc or (ii) the revision to TCc due to changes in the rates for Transmission Services and Ancillary Services under the applicable OATT, for distribution Delivery Services under SC 110, and changes in mitigation factors in accordance with this Rider, at the written request of such Customer, the Customer's TCc shall be .001 cents, effective on the date the TCc was determined to be zero and will remain in effect until the next calculation of such Customer's TCc, and further provided, that if TCc for such Customer or TC Group as calculated per the above formula is less than zero, then Customer's Transition Charge shall be zero until the next calculation of such Customer's TCc. A Customer with an Anniversary Date beginning September 1, 2003 and until the effective date of this Rider whose TCc would have been a positive value had it not been rounded to .000 cents, may request in writing within 30 days of the effective date of this Rider, a TCc value of .001 cents that will take effect on the date such written notice is received by the Utility and remain in effect until the next calculation of such Customer's TCc. Any Customer with a Customer-specific TCc whose TCc would have been positive if what not been rounded to .000 cents will be notified in writing by the Utility that the Customer has the option to request a TCc of .001 cents a commercial commercia

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#### RIDER TC - PAGE 7 OF 14

## 4. <u>Determination of Transition Charge</u> (Continued)

(a) (Continued)

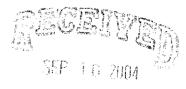
BRc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were serving such Customer's or Customers' electric power and energy requirements under (i) the Tariff Rate or (ii) the Contract Rate, as applicable, under which the Customer or TC Group was taking service, or would have taken service had the Customer been a Customer of Utility, during the 12 months prior to the Customer's Delivery Services Eligibility Date, based on the actual values for the Customer or TC group of the billing determinants used in the Tariff Rate or Contract Rate applicable to such Customer or TC Group during the 36 month period ended 90 days prior to Customer's or Customers' Delivery Service Eligibility Date and on Qc for such Customer or TC Group. For Customer who took service on more than one Tariff Rate or Contract Rate during such 12 month period and is entitled to a customer-specific calculation, BRc shall be a prorated calculation based on the portions of such 12 month period during which Customer took service on each such Tariff Rate or Contract Rate. Any Customer not entitled to a Customerspecific calculation that took service on more than one Tariff Rate during such 12 month period shall be placed in a TC Group associated with the Tariff Rate on which the Customer last took service during such 12-month period.

\* DSc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were to deliver such Customer's or TC Group's electric power and energy requirements to such Customer or Customers based on the rates for Transmission Services and Ancillary Services under the applicable OATT and for Distribution Delivery Services under SC 110, with DSc calculated as:

$$DSc = Tc + Dc + A1c + A4c + [(A2c + A3c + A5c + A6c) X (1 + LFA)],$$

#### Where:

\* Tc = The amount of Transmission Service revenue Utility would receive from the Customer or TC Group for transmitting Qc (adjusted for losses to the generation level based on LFA), based on the prices for Network Integration Service in the applicable OATT at the time of the calculation and calculated in accordance with workpapers to this Rider regarding coincident peak determination.



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#### RIDER TC - PAGE 8 OF 14

#### 4. **Determination of Transition Charge (Continued)**

(a) (Continued)

Dc = The amount of Distribution Delivery Services revenue (excluding any Transition Charge revenue) Utility would receive for transmitting Oc, based on the rates in SC 110 and the Distribution Delivery Services taken by Customer from Utility. Distribution Delivery Services that are self-provided by the Customer or that the Customer obtains from a third party shall not be included in the computation of Dc.

- A1c = The amount of revenue receive from Customer or TC Group for transmitting Qc, based on Schedule 1, Scheduling, System Control and Dispatch Service, of the applicable OATT. The Utility will update A1c in the TCc calculation, if necessary, in conjunction with updates to factor Tc when the prices for Network Integration Service change under the applicable OATT.
- A2c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service, of the applicable OATT.
- A3c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 3, Regulation and Frequency Response Service, of the applicable OATT.

A4c = 0.0 cents/kWh

- A5c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 5, Operating Reserve -Spinning Reserve Service, of the applicable OATT.
- A6c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 6, Operating Reserve -Supplemental Reserve Service, of the applicable OATT.
- LFA = The loss factor applicable to Customer or to Customers in the TC Group, based on such Customer's or Customers' Delivery Voltage, as specified in the applicable OATT and SC 110. LFA represents the additional amount of energy that electric power and energy providers must supply in order for a Customer or TC Group to receive one kWh of energy. For purposes of this Rider, all Customers in a TC Group shall be deemed to be served at distribution - secondary Delivery Voltage.

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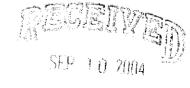
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## 5. <u>Determination of Customer's TC Group</u> (Continued)

\* If the fifteenth day of such month falls on a Saturday, Sunday or holiday, such Transition Charges for each TC Group shall be made available on the next following Business Day. Unless otherwise ordered by the Commission, the data shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated on the Information Sheet and shall remain in effect during the effective Annual Period, except for revisions to Transition Charges due to changes in the rates for Transmission Services and Ancillary Services under the applicable OATT, for distribution Delivery Services under SC 110, and changes in mitigation factors in accordance with this Rider.

## 6. <u>Determination of Transition Charges for Annual Periods</u>

\* On or before the fifteenth day of each February, April, June, August, October and December, Utility shall calculate Transition Charges to be applicable during the Annual Period. If the fifteenth day of such month falls on a Saturday, Sunday or holiday, such Transition Charges shall be made available on the next following Business Day. Such Transition Charges shall be calculated in accordance with Section 4(a) of this Rider, but shall be based on (X) the current rates for Transmission Services and Ancillary Services under the applicable OATT and for Distribution Delivery Services under SC 110, (Y) the market values for the Annual Period, determined pursuant to Rider MVI or Rider MVI II, whichever is applicable, filed by Utility with the Commission on or before each such fifteenth day, and (Z) the applicable values of Mc. Utility shall file with the Commission Information Sheets to Appendix 1 of this Rider on or before each such fifteenth day setting forth the Transition Charges to be applicable for each TC Group for Delivery Services commencing in the next two billing cycle months. The Transition Charges calculated and filed pursuant to this Section shall be applicable to any Customer commencing Delivery Services. Customer's Transition Charge shall be reset on Customer's Anniversary Date, based on the market values and/or Transition Charges on file with the Commission for such Anniversary Date. For Customers already taking Delivery Services prior to bill cycle one of July 2003 when Rider MVI II becomes applicable, the market values used in the Customer's Transition Charge shall be effective until Customer's next Anniversary Date. The first time that a Delivery Services customer elects a Transition Charge with a Multi-Year Market Value established by Rider MVI II in the December publication, as evidenced by their entering into a contract for such Multi-Year Market Value in accordance with Section 7(a) herein, their Anniversary Date shall be reset to the effective date of the Multi-Year Market Value contract. Except as provided in Section 7 of this Rider and in Rider PPO, each Customer commencing Delivery Services shall be subject to the Transition Charge that is applicable to Customer for such Annual Period.



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#### 7. METER READING AND BILLING

## 7.2 Metering on Customer's Premises (continued)

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Utility may combine meter readings taken at multiple points of delivery for a single premises provided that Utility installs and maintains the meters and equipment needed to measure the usage of Utility Service as well as systems necessary to combine data from multiple Points of Delivery. Customer shall pay in advance for the installation and removal of such equipment, as well as a monthly rental charge.

Additional metering may be required under certain of Utility's Schedule of Rates for Electric Service. Additional charges for such metering may be the responsibility of Customer.

7.3 Meter Reading and Billing Period: Utility will attempt to read Customer's meters and render bills on a scheduled basis so that each Customer is billed twelve times in each calendar year, unless (i) Customer and Utility mutually agree otherwise or (ii) Customer obtains Metering Service from Meter Service Provider, in which event Utility will obtain and shall be entitled to rely on Customer's meter usage data provided by the Meter Service Provider. However, Utility will compute and render bills for initial and final periods of service if the actual period between the dates on which the meters are read is other than the period scheduled by prorating charges on the basis of a 30-day period if the actual meter reading periods are less than 25 days or more than 35 days.

If Customer shall have been required for any reason to execute a written contract, and if Customer, due to an accident, fire or flood not caused by Customer, is required to reduce its use of electric energy for a period of not less than 10 days, and Utility is promptly notified in writing, Customer may be entitled to a prorata rate reduction in the monthly billing charges for the period. In case temporary curtailment of service exceeds one full billing month, such Customer may be billed under any other applicable service classification if more advantageous to Customer.

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